



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

AUG 19 2014

Mr. Garry Drummond
Chief Executive Officer
Drummond Company, Inc.
Post Office Box 10246
Birmingham, Alabama 35202

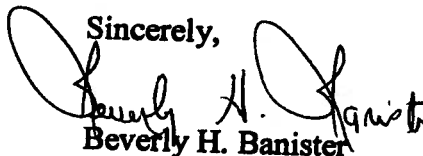
Re: Request for Meeting to Discuss ABC Coke Clean Air Act Compliance Concerns

Dear Mr. Drummond:

The U. S. Environmental Protection Agency, Region 4, has completed its review of the results of the EPA's May 21, 2014, inspection of the ABC Coke chemical by-products plant located in Tarrant, Alabama, (ABC Coke facility). Based on the findings of the inspection, it appears that the ABC Coke facility is not achieving full compliance with the applicable requirements of the Clean Air Act pertaining to benzene waste and leak detection and repair. Enclosed with this letter is a summary of the Areas of Concern based on the EPA's latest inspection findings. Several of these Areas of Concern were previously brought to the company's attention in the EPA's letter dated April 15, 2013, attached hereto for reference.

The EPA is requesting a meeting with representatives of Drummond and ABC Coke and the Jefferson County Department of Health (JCDH) to discuss the Areas of Concern and possible settlement of this matter. In advance of the meeting, the EPA will send you Term Sheets that set forth action items that the EPA will be requesting as part of a proposed resolution to these concerns. The EPA proposes that the parties look at available times in September to hold the meeting at JCDH's offices. We would request that the attorneys representing Drummond and ABC Coke in this matter contact Robert Caplan at the EPA and/or Amy Gillespie at the Department of Justice, to discuss options for the dates/time for the meeting. Mr. Caplan can be reached at 404-562-9520 or caplan.robert@epa.gov. Ms. Gillespie can be reached at 202-616-8754 or amy.gillespie@usdoj.gov.

Sincerely,



Beverly H. Banister

Director

Air, Pesticides & Toxics
Management Division

Enclosure

**cc: Corey Masuca, Jefferson County Department of Health
Wade Merritt, Jefferson County Department of Health
Amy Gillespie, U.S. Department of Justice
Mark Poling, ABC Coke**

Enclosure – Areas of Concern Based on the EPA's May 2014 Inspection

Regulation	Findings/Responses
<p>Area of Concern 1-naphthalene sump</p> <p>40 C.F.R. § 61.355(a) – Requires all waste streams to be included in the original calculation of Total Annual Benzene (TAB).</p> <p>40 C.F.R. § 61.346(a) – Requires the facility to control individual waste streams to no detectable emissions.</p>	<p>Because the naphthalene sump receives waste with a benzene content greater than 10 parts per million by weight, (ppmw) with an actual measurement of 1200 ppmw, the sump should be classified as an “individual drain system” and controlled at no detectable emissions (500 ppm leak threshold) and vented to a control device.</p>
<p>Area of Concern 2-dirty water sump</p> <p>40 C.F.R. § 61.355(a) – Requires all waste streams to be included in the original TAB.</p> <p>40 C.F.R. § 61.346(a) – Requires the facility to control individual waste streams to no detectable emissions.</p>	<p>Because the dirty water sump receives waste with a benzene content greater than 10 ppmw (actual measurement of 270 ppmw), the sump should be classified as an “individual drain system” and controlled at no detectable emissions (500 ppm leak threshold) and vented to a control device.</p>
<p>Area of Concern 3-Wilputte Decanter</p> <p>40 C.F.R. § 61.355(a) – Requires all waste streams to be included in the original TAB.</p> <p>40 C.F.R. § 61.346(a) – Requires the facility to control individual waste streams to no detectable emissions</p>	<p>The Wilputte Decanter receives everything that is routed through the dirty water sump and can be classified as an oil-water separator. The decanter should be included in the original TAB and controlled at no detectable emissions (500 ppm leak threshold) and vented to a control device.</p>
<p>Area of Concern 4-excess flushing liquor tank</p> <p>40 C.F.R § 61.355(a) – Requires all waste streams to be included in the original TAB</p>	<p>The excess flushing liquor tank was not included in the original TAB calculation. The EFLT should be included in the original TAB and controlled at no detectable emissions (500 ppm leak threshold) and vented to a control device.</p>
<p>Area of Concern 5 –Pressure Vacuum Relief Valves (PVRVs) on Flushing Liquor Decanters</p> <p>40 C.F.R. § 61.12(d) - The owner or operator of each stationary source shall maintain and operate the source,</p>	<p>Measurements of 2 PVRVs on top of the Flushing Liquor Decanters indicated leaks of 30,000+ ppm from the vacuum side of these devices. Since the vacuum side of a PVRV is designed to pull ambient air into a tank, leaks from it indicate that the PVRVs are not being properly maintained.</p>

including associated equipment for air pollution control, in a manner consistent with good air pollution control practice for minimizing emissions.	
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APR 15 2013

UNITED PARCEL SERVICE

Mr. Garry Drummond
Chief Executive Officer
Drummond Company, Inc.
Post Office Box 10246
Birmingham, Alabama 35202

Re: Request for Meeting to Discuss ABC Coke Clean Air Act Compliance Concerns

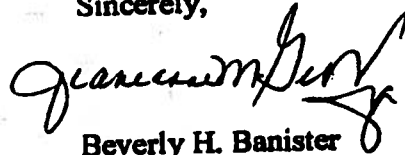
Dear Mr. Drummond:

The U. S. Environmental Protection Agency, Region 4, has completed its review of the results of the EPA's May 2011 inspection of the ABC Coke chemical by-products plant located in Tarrant, Alabama (ABC Coke facility), as well as ABC Coke's responses to the EPA's Clean Air Act (CAA) Section 114(a) Information Requests, and pertinent Jefferson County Department of Health (JCDH) files. Based on the information reviewed, it appears that the ABC Coke facility is not achieving adequate compliance with the requirements of the CAA and its title V Permit No. 4-07-0001-02. Specifically, the EPA is concerned about ABC Coke's apparent non-compliance with 40 C.F.R. Part 61, Subpart L – NESHAP for Benzene Leaks from Coke By-Product Recovery Plants; 40 C.F.R. 61, Subpart V - NESHAP for Equipment Leaks (Fugitive Emission Sources); Method 21 of Appendix A of 40 C.F.R. Part 60; 40 C.F.R. Part 61, Subpart FF – NESHAP for Benzene Waste Operations (BWON), and title V Permit Number 4-07-0001-02, Emission Unit Number 005, Coke By-Products. Enclosed with this letter is a summary of inspection findings and of ABC Coke's responses to the information requests. The EPA recently referred this matter to the United States Department of Justice (DOJ) for consideration of potential enforcement action.

The EPA is offering Drummond Company on behalf of its division, ABC Coke, an opportunity to meet with the EPA, the DOJ, and the JCDH to discuss the above-noted concerns. During the meeting, Drummond will have an opportunity to present any relevant information, evidence and documentation including, but not limited to, correspondence, test reports, monitoring records, inspections and any other relevant information that will address the concerns raised in this letter. Please note that violations of the CAA may subject a facility to an enforcement action pursuant to Section 113 of the CAA, 42 U.S.C. §7413.

The EPA proposes that this meeting be held on May 29, 2013, at 10:00 AM CDT at the Jefferson County Department of Health, located at 1400 6th Avenue South, Birmingham, AL, 35233. Please notify either Nikki Radford at (404) 562-9099, Stephen Rieck at (404) 562-9177, or Robert Caplan, Senior Attorney, at (404) 562-9520 within ten (10) days of receiving this letter as to whether Drummond and ABC Coke would like to meet with the EPA, the DOJ and the JCDH. Alternatively, or in addition, you could respond in writing to this letter or notify us by email at: radford.nicole@epa.gov; rieck.stephen@epa.gov; and caplan.robert@epa.gov. If you would like to meet, but the proposed date is not convenient for you, please contact Ms. Radford, or Messrs. Rieck or Caplan, and we will work with you to find a mutually convenient date.

Sincerely,



Beverly H. Banister
Director
Air, Pesticides & Toxics
Management Division

Enclosure

cc: Corey Masuca, Jefferson County Department of Health
Wade Merritt, Spain & Gillon, LLC
Amy Gillespie, U.S. Department of Justice
Mark Poling, ABC Coke

Enclosure – Summary of Findings of May 2011 Inspection and Responses to Information Requests

40 C.F.R. Part 61, Subpart L – NESHAP for Benzene Leaks from Coke By-Product Recovery Plants	
Regulation	Findings/Responses
40 C.F.R. § 61.132 (a)(1) - Requires all openings on each process vessel, tar storage tank and tar intercepting pump to be enclosed and sealed.	During the May 2011 EPA inspection, piping on the liquid drains from the east and west tar decanters and the BTX tank overflow pipe were not totally enclosed where the liquid material is routed to the sewer system. The openings allowed fugitive vapors from the sewer system and vapors coming off of the liquid stream to be emitted to the atmosphere.
40 C.F.R. § 61.132(a)(2) - Requires a benzene recovery/destruction control system to be operated with no detectable emissions.	ABC Coke conducted Method 21 monitoring on the seals and connections of the closed vent system on the tar-intercepting sumps, tar decanters, flushing liquor circulation tank using an incorrect leak definition limit of 10,000 ppm instead of 500 ppm over background.
40 C.F.R. § 61.132(b) - Requires the connections and seals on the control system to be monitored and visually inspected.	Visual inspections are not conducted on the hatches and flanges on top of the east and west tar decanters, flushing liquor circulation tank and primary cooler sump. Method 21 records from 2007- 2011 had no indications of any records of reporting visual defects. Additionally, during the May 2011 inspection, EPA visually observed multiple sealing material defects on the naphthalene sump, dirty water sump, and primary cooler sump.
40 C.F.R. § 61.133(c) - Requires the connections and seals on the control system of the two light oil sumps located at the facility to be monitored and inspected.	The naphthalene sump and dirty water sump had elevated readings that were over 500 ppm above background during the May 2011 inspection. Also, the inspectors observed visible defects at both the naphthalene and dirty water sump. Monitoring records for 2011 do not indicate that ABC Coke is monitoring the facility's two light oil sumps.
40 C.F.R. §§ 61.132(b)(3) and §§ 61.132(b)(4) - Require the timely repair of leaks.	Monitoring records from 2007-2011 reveal that several leaking components were not repaired within the required timeframe.
40 C.F.R. § 61.135(c) - Requires each piece of equipment in benzene service to be marked.	During the May 2011 inspection, nine valves and two pressure relief devices were identified with no tags.

40 C.F.R. 61, Subpart V, NESHAP for Equipment Leaks (Fugitive Emission Sources)	
Regulation	Findings/Responses
40 C.F.R. § 61.242-1(d) - Requires each piece of equipment to be marked in such a manner that it can be distinguished readily from other pieces of equipment.	During the May 2011 inspection, four duplicate tag numbers were identified: V6453, V6454, V6455 and V6459. These tag numbers were each used to mark two different pieces of equipment.
40 C.F.R. § 61.242-6(a)(1) - Requires each open-ended valve to be equipped with a cap, blind flange, plug, or a second valve.	During the May 2011 inspection, 34 open-ended lines were identified at ABC Coke without being equipped with a cap, blind flange, plug, or a second valve.
40 C.F.R. §§ 61.242-2(a)(1) and 61.242-2(a)(2) - Requires each pump to be monitored monthly and each pump to be visually inspected every calendar week.	ABC Coke did not provide monthly monitoring records for Pumps P6320, V6348 and V6353 in the BTX Separator, and Pumps P6496, V6465A, V6477 and P6479 in the BTX Storage tank area.
40 C.F.R. § 61.242-4(a) - Requires pressure relief devices to be operated at the facility in gas/vapor service with no detectable emissions.	Several pressure relief devices from 2007-2011 were monitored with a leak rate greater than 500 ppm, but were not recorded as leaks, repaired, or included in the semiannual report as leaks.
40 C.F.R. § 61.242-7(h)(3) - Requires valves designated as difficult-to-monitor to be monitored at least once per calendar year.	From 2007 to 2011 ABC Coke had 23 valves in VHAP service (Subject to Subpart V) that were identified as difficult-to-monitor (DTM). In 2008, ABC Coke failed to monitor 15 of the 23 DTM components, and in 2011, ABC Coke failed to monitor all 23 DTM components.
40 C.F.R. § 61.246(b)(1) - Requires a weatherproof and readily visible identification to be attached to mark leaking equipment.	Weatherproof tags were not used to identify leaks found during the May 2011 inspection.
40 C.F.R. § 61.246(e)(1) - Requires a correct list to be kept in a log of identification numbers for equipment subject to Subpart V.	In the monitoring records from 2007-2011, ABC Coke identified at least 9 pieces of equipment as having been demolished, but having been monitored in subsequent monitoring periods.
40 C.F.R. § 61.242-7(c)(2) - Requires a valve where a leak was detected to be monitored for 2 successive months.	From 2007-2011, ABC Coke had 11 leaking valves (not including pressure relief valves). The monitoring records did not indicate that any of the leaking valves were re-monitored for 2 successive months after the leak was initially discovered.

40 C.F.R. Part 61, Test Methods	
Regulation	Findings/Responses
40 C.F.R. §§ 61.245(b)(1) and 61.137(a) - Require compliance with Method 21 of Appendix A of 40 C.F.R. Part 60, which requires certain work practice standards for the implementation of a Leak Detection and Repair program.	During the May 2011 inspection, EPA monitored 283 pieces of equipment and components using a TVA and found that 26 components had elevated readings indicating leaks. There is a discrepancy between the leak rates found at the facility by EPA during its May 2011 inspection and the historic leak rate reported by ABC Coke over the years.
40 C.F.R. §§ 61.245(b)(1) and 61.137(a) - Require compliance with Method 21 of Appendix A of 40 C.F.R. Part 60, which requires background readings of ambient VOC concentrations to be properly measured.	In quarterly monitoring records provided by ABC, excessive ambient VOC concentrations were recorded for background readings.

40 C.F.R. 61, Subpart FF – NESHAP for Benzene Waste Operations (BWON)	
Regulation	Findings/Responses
40 C.F.R. §§ 61.355 (a) and (b) - Requires the facility to accurately determine TAB quantity.	ABC Coke's initial TAB was based on only one stream, the excess liquor stream at the outlet of the ammonia still (0.00136 Mg/yr), but during the May 2011 inspection additional streams were identified.
40 C.F.R. § 61.355(a) and 40 C.F.R. § 61.357(a)(2) - Require all waste streams to be included in the original TAB and to be reported.	During the May 2011 inspection, EPA identified additional waste streams that were not included in ABC Coke's TAB calculation and were not listed in ABC Coke's report required by § 61.357(a). These waste streams included: material from seal pots to the primary cooler sump, tar and excess liquor from the flushing liquor circulation tank to the primary cooler sump, water from the water seal on the gas holder, condensate from eight drip pots, aqueous decant from the BTX tank, drained material from the purifier into the naphthalene sump and material from liquor drains on the light oil platform.
40 C.F.R. §§ 61.342(b), 61.342(c), 61.348 and 61.355(a)(3)- Requires the facility to manage and treat its benzene waste when the TAB is equal to or greater than 10 Mg/yr.	ABC Coke submitted a revised TAB that was calculated with all the waste streams identified by EPA. The result was a TAB of 38.42 Mg/yr, with almost two-thirds coming from the BTX tank decant overflow (24.3 Mg/yr), and almost one third (13.43 Mg/yr) coming from the light oil platform condensate, which is fed from the Crude Residual Column (light oil condenser) into the Wilputte Decanter. ABC Coke was not managing and treating these waste streams.

Title V Permit Number 4-07-0001-02 Emission Unit Number 005 Coke By-Products

Regulation	Findings/Responses
<p>Permit No. 4-07-0001-02 Emission Unit Number 005 Coke By - Products - Requires compliance with title V Permit No. 4-07-0001-02</p>	<p>The portion of ABC Coke's title V permit that pertains to the by-products plant referred to in the permit as Emissions Unit 005, requires ABC Coke to comply with 40 C.F.R. Part 61, Subparts L, V, and FF. These requirements are set forth in pages 35-36 of the permit. Based upon the Findings/Responses specified above ABC Coke has not been complying with its title V Permit.</p>
<p>Permit No. 4-07-0001-02 Emission Unit Number 005 Coke By - Products - Requires the annual submittal to JCDH a report regarding Subpart FF detailing the annual waste quantity, range of benzene concentrations (monthly values), the average flow-weighted benzene concentrations and the annual benzene quantity.</p>	<p>ABC Coke has not fully complied with the annual reporting requirements for Emissions Unit 005 (by-products plant) set forth in its title V permit, Number 4-07-0001-02, at Section 5 of Emissions Unit 005, Number 13H. Specifically, the title V permit requires that ABC Coke submit to JCDH by February 10 of each year, a report that includes the annual waste quantity, the range of benzene concentrations (monthly values), the average flow-weighted benzene concentrations, and the annual benzene quantity. ABC Coke has not annually submitted this report.</p>

